

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

AT&T Communications of Illinois, Inc.,)
TCG Illinois and TCG Chicago)
)
Petition for Arbitration of Interconnection) No. 03-0239
Rates Terms and Conditions and Related)
Arrangements With Illinois Bell Telephone)
Company d/b/a SBC Illinois Pursuant to)
Section 252(b) of the Telecommunications)
Act of 1996)

DIRECT TESTIMONY
OF
ROMAN A. SMITH
ON BEHALF OF
SBC ILLINOIS
EXHIBIT 13.0

Dated: May 20, 2003

03-0239
SBC Ill. 13.0
R. Smith
6-18-03

ISSUE

Comprehensive Billing 1, 2, & 5

1 **I. INTRODUCTION**

2 **Q1. PLEASE STATE YOUR NAME, EMPLOYER, TITLE, AND BUSINESS**
3 **ADDRESS.**

4 A1. My name is Roman A. Smith. I am employed by SBC Illinois and my business address is
5 Four Bell Plaza, Room 1220.01, Dallas, Texas, 75202. I am currently an Associate
6 Director in Wholesale Marketing.

7 **Q2. WHAT ARE YOUR RESPONSIBILITIES AS ASSOCIATE DIRECTOR-**
8 **WHOLESALE MARKETING?**

9 A2. I am responsible for researching, supporting, and communicating SBC's product policy
10 positions in regulatory proceedings in Illinois and the other twelve SBC states.

11 **Q3. WHAT IS YOUR EDUCATIONAL BACKGROUND?**

12 A3. I received my Bachelor of Business Administration in Finance and International Business
13 from Baylor University in 1996.

14 **Q4. PLEASE OUTLINE YOUR WORK EXPERIENCE.**

15 A4. I began employment with SBC in 1997 in the Finance organization as Manager of
16 Remittance Operations within the payment and balance reconciliation center for the
17 SWBT states of Texas, Arkansas, Oklahoma, Kansas, and Missouri. My responsibilities
18 included overseeing the payment operations and reconciliation for banking operations. In
19 August of 1999, I became an Area Manager in the MFN organization in Wholesale
20 Marketing-Industry Markets. My responsibilities included identifying policy and product
21 issues to assist negotiations and witnesses for SBC's xDSL, Broadband, Poles, Conduits,
22 Rights of Ways, and Performance Measure offerings. In July of 2001, I moved into my
23 current role as an Associate Director in the Wholesale Marketing product Regulatory
24 organization. In this position, I am responsible for representing product policy for

Wholesale Marketing in proceedings before state commissions, including this Commission.

Q5. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?

A5. Yes. I have submitted testimony in Texas Public Utility Docket Nos. 24593 (Sage Complaint/Interim Relief), 24547 (Accutel Arbitration), 24542 (MCIIm/Sage Arbitration), 25106 (Heritage Complaint), 25510 (Accutel Complaint/Arbitration), 25188 (El Paso Networks Arbitration), 25779 (Millenium One/Interim Relief/Arbitration), 25834 (UNE Cost Proceeding), 24515 (Special Access Performance Measures), 27655 (Premiere Interim Complaint) and 26904 (EPN); Docket No. 01-135-C (Navigator Complaint) and Docket No. 03-007-C before the Arkansas Public Service Commission; Case No. T0-2002-222 (WCOM Arbitration) before the Missouri Public Service Commission; Cause No. PUD 200300157 (Cox Arbitration) before the Oklahoma Corporation Commission; Cause No. 42214 (Buy-Tel Arbitration) before the Indiana Utility Regulatory Commission; Case No. U-13758 (MCIIm Arbitration) before the Michigan Public Service Commission; Case No. 02-1254-TP-ARB (TDS Arbitration) and Case No. 02-0837-TP-ARB (Revolution Arbitration) before the Public Utility Commission of Ohio.

Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A6. The purpose of my testimony in this proceeding is to present SBC Illinois's positions regarding the Comprehensive Billing Issues #1, #2, and #5.

II. COMPREHENSIVE BILLING ISSUES

Comprehensive Billing Issue #1

Should CABS billing be used when the OBF has established guidelines for its use?

Section 27.1.3

Q7. PLEASE EXPLAIN THIS ISSUE.

A7. SBC Illinois uses a billing system called "CABS" (Carrier Access Billing System) to bill AT&T and all other CLECs in Illinois for most UNEs, and uses a billing system called "RBS" (Resale Billing System) to bill AT&T and all other CLECs in Illinois for Operator Services and Directory Assistance ("OS/DA"). AT&T is asking the Commission to order SBC Illinois to switch from RBS to CABS for billing OS/DA, and (secondarily) for billing other services in the future as well.

Specifically, AT&T has proposed language for Comprehensive Billing Sections 27.1.3 and 27.4.4.2 that would require SBC Illinois to use CABS "for all charges and services where the OBF has developed guidelines." In other words, AT&T is asking the Commission to require SBC Illinois to use CABS to bill for a particular charge or service once the Ordering and Billing Forum of the Alliance for Telecommunications Industry Solutions has established guidelines that apply to the use of CABS to bill that charge or service. Although AT&T's proposed contract language is general in its terms, AT&T's testimony makes clear that AT&T's principal objective is for the Commission to require

63 SBC Illinois to switch to CABS billing for OS and DA – for which the OBF has
64 established such guidelines.¹

65 SBC Illinois believes it would be inappropriate for the Commission to order SBC Illinois
66 to convert automatically to CABS billing for a charge or service merely because the OBF
67 has established guidelines that apply to that charge or service. Accordingly, SBC Illinois
68 opposes the language that AT&T has proposed, and has proposed language that leaves
69 SBC Illinois free to decide when to convert to CABS billing – though SBC Illinois’
70 language does say that where SBC switches to CABS billing, it will adhere to OBF
71 guidelines.

72 **Q8. WHAT STANDARD SHOULD THE COMMISSION USE TO DECIDE THIS**
73 **ISSUE?**

74 A8. That is the key question. If you look at AT&T’s testimony on this issue (AT&T Ex. 3.0,
75 pages 9-13), you will see that AT&T’s proposal is not tied in any way to any requirement
76 in the 1996 Act, or any FCC regulation, or to anything that the Illinois Legislature or this
77 Commission has ever required, or even to any requirement of the OBF. All AT&T says
78 is, “We want this, and here’s why we think it would be better for us.” This Commission
79 should not order SBC Illinois to do things at AT&T’s behest merely because AT&T
80 wants them – and this is so whether or not the Commission finds AT&T’s motivations
81 appealing. The disagreement here does not concern the nature or the quality of any UNE
82 that SBC Illinois will be providing to AT&T, or any price SBC Illinois will be charging

¹ This Commission has ruled that SBC Illinois must provide OS/DA as UNEs. In some states, OS/DA need not be provided as UNEs, because the State commission has determined that the ILEC-provided custom routing satisfies the applicable FCC requirement that excuses the ILEC from having to provide OS/DA as UNEs.

AT&T – all of which is governed by the 1996 Act, the FCC’s implementing regulations, the laws of Illinois and rules promulgated by this Commission. What we are talking about here is *SBC Illinois*’ billing systems, and AT&T’s individual preference that SBC Illinois use one billing system rather than another for a certain product. So long as SBC Illinois’ chosen billing system is not demonstrably causing serious problems that can only be fixed by making a change, SBC Illinois should be free to use the billing system of its choice – especially where, as here, AT&T is proposing something that is not rooted in any existing federal or state requirement of any sort. The Commission should, therefore, subject AT&T’s proposal to a very demanding standard, and should consider granting AT&T’s request only if it concludes that AT&T has made an overwhelmingly strong case. AT&T has not done that.

Q9. ISN’T IT APPROPRIATE, THOUGH, FOR THE COMMISSION TO ENSURE THAT SBC ILLINOIS’ BILLS TO AT&T UNDER THIS AGREEMENT ARE ACCURATE AND TIMELY?

A9. Perhaps so, but this issue has nothing to do with that. Neither AT&T’s testimony nor anything else that AT&T has said about the issue has anything to do with the accuracy of RBS or the accuracy or timeliness of SBC Illinois’ OS/DA billings.

Q10. ARE THE GUIDELINES SET OUT BY OBF A MANDATE THAT ALL CARRIERS MUST ABIDE BY?

A10. No. OBF guidelines are just that, guidelines. There is no requirement – and AT&T’s witness does not suggest there is – that SBC Illinois must use CABS to bill OS/DA merely because the OBF has established guidelines that SBC Illinois can follow if it chooses to use CABS to bill OS/DA.

106 **Q11. WHY DO YOU SAY THAT AT&T HAS NOT MADE A STRONG CASE FOR**
107 **REQUIRING SBC ILLINOIS SO USE CABS FOR BILLING OS/DA?**

108 A11. AT&T supports its proposed requirement with only two vague and unpersuasive reasons.

109 The first is that “[t]he use of multiple billing systems increases the difficulty of billing
110 validation processes” and “increases the resources and time that [AT&T] must expend to
111 validate a bill.” AT&T Ex. 3.0 at p. 12. AT&T provides no detail to support that
112 contention – for all one can tell, the use of RBS instead of CABS may cost AT&T a
113 grand total of two man hours a month – so there is no way for the Commission to balance
114 the supposed inconvenience to AT&T against the cost and inconvenience the
115 Commission would be imposing on SBC Illinois if it were to require a switch to CABS.

116 AT&T’s second reason is equally vague and unpersuasive: “Uniformity in the industry is
117 beneficial to all CLECs and promotes consistent application of the industry guidelines.”

118 AT&T Ex.3.0 at 13. There is no indication, though, that any CLEC in Illinois other than
119 AT&T wants SBC Illinois to switch to CABS billing for OS/DA.

120 **Q12. WHY WON’T SBC ILLINOIS AGREE TO BILL OS/DA OUT OF THE CABS**
121 **BILLING SYSTEM?**

122 A12. In a perfect world – where products could be switched from one billing system to another
123 with no disruption and at zero cost – SBC Illinois might bill all its wholesale products
124 and services out of a single system. The fact is, however, that it costs money to switch
125 from one billing system to another, and there is a potential for substantial disruption to
126 the steady flow of accurate bills during a change-over. (Note again in this connection
127 that AT&T is not complaining about the accuracy or timeliness of the bills it is currently
128 receiving from SBC Illinois for OS/DA.) SBC Illinois is in a constant race to continue to
129 make sure its existing systems bill the carriers accurately and efficiently. However

appropriate it might be for the Commission to intervene if AT&T were to complain that SBC Illinois' bills were inaccurate or untimely, it is not appropriate for the Commission – especially in the absence of such a complaint – to intervene in the method by which SBC Illinois renders its accurate and timely bills.

Q13. IS IT TRUE, AS AT&T'S WITNESS STATES, THAT SBC BILLS OS/DA OUT OF CABS IN THE SBC SOUTHWEST REGION?

A13. Yes, that is true – SBC bills OS/DA, with the exception of nonpublished listings in DA, out of the CABS billing system in Texas, Oklahoma, Missouri, Kansas and Arkansas. But that is irrelevant. As the Commission knows, what is now SBC was, just a few years ago, four separate Regional Bell Operating Companies. Each of those companies had its own billing systems, and it is perfectly understandable that SBC has not (or not yet) chosen to perform the massive conversions that would be necessary in order to have the same billing systems in all four regions. SBC hopes, and is striving, to achieve the perfect world where all wholesales billings for SBC ILECs are made by one system. SBC is not there yet, however, and AT&T's request that the Commission force SBC to get there is unreasonable.

Q14. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?

A14. The Commission should reject AT&T's proposed language for Comprehensive Billing Sections 27.1.3 and 27.4.4.2 and accept SBC Illinois' proposed language.

149 **Comprehensive Billing Issue #2**

150 **Should the Billed Party have the discretion to designate a changed billing address for**
151 **different categories of bills upon 30 days written notice to the Billing Party?**

152 **Q15. WHAT IS YOUR UNDERSTANDING OF THIS ISSUE?**

153 A15. Under the parties' current arrangements, SBC Illinois sends AT&T's monthly bills for all
154 products and services it provides AT&T under the parties' interconnection agreement to
155 one address (with a single exception, which I discuss below). AT&T proposes to change
156 this arrangement by inserting, in Comprehensive Billing Section 27.2.1.3 of the parties'
157 new agreement, language that would require SBC Illinois, at AT&T's request, to send
158 "different categories of bills" to different addresses designated by AT&T. SBC Illinois
159 urges the Commission to reject AT&T's proposal.

160 **Q16. UNDER AT&T'S PROPOSAL, HOW MANY "DIFFERENT CATEGORIES OF**
161 **BILLS" ARE THERE, AND THEREFORE HOW MANY POTENTIALLY**
162 **DIFFERENT BILLING ADDRESSES?**

163 A16. It is impossible to tell from AT&T's proposed language, or from AT&T's testimony on
164 the issue (AT&T Ex. 3.0 at pp. 13-14.) We could be talking several possibilities.

165 **Q17. BEFORE YOU DISCUSS THIS ISSUE IN DETAIL, DO YOU HAVE ANY**
166 **OVERARCHING COMMENTS ABOUT THE ISSUE?**

167 A17. Yes, I have two. First, I recognize that AT&T's proposal may – to a person unfamiliar
168 with the way a large telecommunications company does its billing – seem reasonable.
169 After all, such a person might think, shouldn't the customer be allowed to have its bills
170 sent where it wants – even if it's potentially twenty or thirty bills a month being sent to
171 twenty or thirty different addresses? As I will demonstrate, though, what we are talking
172 about here is not remotely like a department store (for example) billing a customer who
173 buys blouses, some cosmetics and a desk and wants the bills sent to three different

addresses. Thus, I ask the Commission to bear with my discussion and decide the issue in light of the complex systems I explain.

Second, the Commission might appropriately question the need for AT&T to raise this issue in arbitration – and it really is AT&T’s issue, because it is AT&T’s language. On the face of it, this issue – addresses for billing statements – hardly seems worthy of this Commission’s time. Has AT&T, through its testimony, overcome that by demonstrating a crying need for a solution to a pressing problem? If the answer to that question is no – which it is – the Commission might want to reject AT&T’s language on that basis alone.

Q18. HOW IS AT&T BILLED TODAY BY SBC ILLINOIS?

A18. AT&T is electronically billed to the location indicated by the Access Customer Name Abbreviation (ACNA) number that is assigned by Telcordia Technologies. The ACNA number is a three (3) digit alpha code assigned to carriers for identification purposes, ordering, circuit provisioning, billing and bill verification. In CABS billing, the ACNA identifier has associated Billing Account Numbers (BANs) that correlate to “classes of service” (e.g., UNE Loops; Directory Assistance; Collocation) that may be purchased by AT&T. If the BANs for the classes of service purchased by AT&T are under AT&T’s ACNA in Illinois, they will be billed to one single address. SBC Illinois is able to bill AT&T electronically only to the single address assigned to the ACNA identifier.

Q19. HOW IS THE BILLING ADDRESS ASSIGNED TO THE ACNA IDENTIFIER?

A19. The designated address is assigned by AT&T when it completes its CLEC Account Profile for SBC Illinois. Only one billing address can be assigned per ACNA for electronic billing purposes.

Q20. ARE THERE ANY SITUATIONS WHERE MORE THAN ONE ADDRESS MAY BE ASSOCIATED WITH A SINGLE ACNA?

A20. Yes. AT&T can choose to have all its billings for all 13 SBC states go to one address per its ACNA, or it can choose to have a distinct address for each of the four SBC regions associated with its ACNA. Under the latter arrangement, AT&T would receive its bills for the five states (including Illinois) in the SBC Midwest region at one address; its bills for the states in the SBC Pacific region at another address; and so forth. AT&T is given this flexibility by region because the billing systems in each of SBC's regions are distinct.

Q21. ARE THERE SITUATIONS WHERE AT&T MAY DESIGNATE BILLING FOR BAN(S) UNDER AN ACNA TO GO TO A DIFFERENT ADDRESS?

A21. Yes. This can be done, however, only for bills in paper format. In fact, SBC Illinois accommodates AT&T for its Collocation bills in this manner today. SBC Illinois sends paper Collocation bills designated to one of AT&T's BANs to a separate billing address.

Q22. ARE YOU SAYING SBC ILLINOIS CAN SEPARATE BILLS BY CATEGORY AND SEND BILLS IN DIFFERENT CATEGORIES TO DIFFERENT ADDRESSES AS AT&T IS REQUESTING?

A22. No. SBC Illinois can separate bills on a per BAN level, but not necessarily per category of bills. If AT&T wants certain BANs under an ACNA to go by paper to a separate billing address, SBC Illinois will do that. AT&T's proposed language is asking for something very different, though – it is asking the Commission to require SBC Illinois to bundle different categories of products under each BAN and send those to different addresses. SBC Illinois' systems do not have the ability to do that.

Q23. CAN YOU GIVE A SIMPLE EXAMPLE OF HOW SBC ILLINOIS BILLS AT&T TODAY?

A23. Yes. I will describe a scenario that depicts how we bill Collocation today without disclosing specific BAN numbers or ACNAs of AT&T. Assume AT&T has "123" as its ACNA identifier for Local Services. Under ACNA 123, there is a specific address designated by AT&T at which AT&T receives the electronic bills, and there are 4 BANs. The BANs are labeled 312, 217, 847, and 773. For this example, AT&T may have set up and designated BAN 312 for all its Local Collocation services. If AT&T requests its BAN 312 bills to go to a different billing address than the address AT&T has designated for ACNA 123, then SBC Illinois will extrapolate in paper form BAN 312 and send it to that address. Billing for BANs 217, 847, and 773 would be sent electronically to the address designated by the ACNA. Taking this example, it would not be possible to bundle Collocation services that may have been billed to BAN 773 to BAN 312. This would be the responsibility of AT&T to work with its Account Manager to set up its BANs with its designated desired categories.

Q24. CAN AT&T HAVE MORE THAN ONE ACNA?

A24. In general, no – but there is an exception. Telcordia programming standards allow for only one ACNA code per company. Accordingly, AT&T may only have one ACNA per interconnection agreement with SBC Illinois. However, AT&T can obtain a separate ACNA code for a subsidiary or sister company of AT&T by filing documentation required by Telcordia to substantiate such requests. Generally, the required documentation consists of the Articles of Incorporation of the AT&T subsidiary or sister company. Each additional ACNA must be associated with a separate affiliate with a separate interconnection agreement with SBC Illinois.

Q25. DOES AT&T HAVE MORE THAN ONE ACNA IN THE SBC MIDWEST REGION?

A25. Yes. It is my understanding that AT&T has multiple ACNAs in the SBC Midwest region.

Q26. DOES THAT ALLOW AT&T TO ACCOMPLISH WHAT IT IS TRYING TO ACCOMPLISH WITH ITS PROPOSED CONTRACT LANGUAGE?

A26. No. Even with multiple ACNAs with a possible different billing address for each, this does not get AT&T the level of differentiation that I believe AT&T is asking this Commission to order. Compliance with AT&T's language would require greater capabilities than our billing systems possess. Under multiple companies with different ACNAs, SBC Illinois' billing systems are not able to dissect the particular BANs of classes of service from each ACNA and bundle bill them to different addresses. Separate ACNA codes are not assigned for different functions of a company. Separate codes are not assigned to a company for the purpose of internal tracking of different business items as AT&T is requesting. This capability is not industry standard and does not exist in SBC Illinois' CABS billing system today.

Q27. DOES SBC BILL ALL UNE CLECS THE SAME IN ILLINOIS?

A27. Yes. Everything that I have described concerning the way we bill AT&T applies equally to every other CLEC in Illinois.

Q28. HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?

A28. The Commission should reject AT&T's request, because in order to comply with the request, SBC Illinois would have to develop an entirely new billing system, and AT&T

265 has come nowhere near to making a strong enough case for what it wants to justify such
266 an enterprise.

267 **Comprehensive Billing Issue #5**

268 **Should the ICA include terms and conditions for billing and collection arrangements**
269 **between the Parties for end user calls involving alternative billing mechanisms?**

270 **Q29. PLEASE EXPLAIN THIS ISSUE.**

271 A29. Alternately Billed Service (ABS) is a service that allows end-users to bill calls to
272 accounts that may not be associated with the originating line. There are three types of
273 ABS calls: calling card, collect and third number billed calls. SBC Illinois and AT&T
274 have spent many months negotiating a 13-state ABS Agreement. While the Parties have
275 agreed on most of the substantive provisions in the Agreement, they have not been able to
276 agree upon the appropriate method of filing the Agreement with the Commission. SBC
277 sought to file the Agreement pursuant to Section 252 of the Telecommunications Act so
278 that, among other things, the Public Utilities Commission in each state would have
279 jurisdiction over disputes arising from the Act. AT&T opposed filing the ABS agreement
280 in such a manner. As set forth below, SBC Illinois will agree to a large part of the
281 negotiated agreement that AT&T has proposed in this proceeding. However, because the
282 agreement was negotiated on a 13-state basis, SBC Illinois cannot agree to apply certain
283 provisions in only a single state. In addition, SBC Illinois opposes the inclusion of
284 AT&T's proposed 27.15 in the Interconnection Agreement.

285 **Q30. ON MAY 5, 2003, SBC ILLINOIS SUBMITTED A REVISED DECISION POINT**
286 **LIST (DPL) WITH DIFFERENT SBC ILLINOIS PROPOSED LANGUAGE**
287 **THAN INITIALLY FILED IN THIS PROCEEDING. AS IT STANDS TODAY,**
288 **WHAT LANGUAGE IS RELEVANT FOR THIS COMMISSION TO REVIEW**
289 **AND DECIDE UPON?**

290 A30. Three sets of language have been presented to the Commission in connection with
291 Comprehensive Billing Issue #5. The first set of language is the revised SBC Illinois
292 proposed language that is SBC Illinois' 13-State Generic ABS Appendix. The second set
293 of language for this issue is what was filed as part of Ms. Moore's testimony on May 13,
294 2003. That language is identified as AT&T Exhibit 3.2 (ABS). The third section of
295 language is Section 27.15 which has been identified in Ms. Moore's testimony, the DPL,
296 and Article 27:Comprehensive Billing as AT&T proposed language.

297 **Q31. PLEASE BRIEFLY EXPLAIN THE SBC ILLINOIS PROPOSED ABS**
298 **APPENDIX?**

299 A31. SBC Illinois' proposed language is an Appendix to AT&T's interconnection agreement
300 and would be filed under Sections 251 and 252 of the Federal Act so that the Illinois
301 Commission would have the appropriate regulatory oversight. SBC Illinois' proposed
302 Appendix includes comprehensive, fair and easy to understand ABS terms and
303 conditions. The language is intended to appropriately reconcile only IntraLATA local
304 and/or toll ABS calls that are carried by SBC Illinois or a third party LEC and are
305 terminated to a UNE-P CLEC end user. The language appropriately addresses the
306 responsibility of billing, collecting, and remitting payment for ABS charges that AT&T's
307 end users accepted and authorized.

308 **Q32. PLEASE EXPLAIN AT&T'S PROPOSED EXHIBIT 3.2 (ABS).**

309 A32. First, and foremost, this Commission should be informed that this AT&T proposed
310 language for ABS was part of a negotiated document that was part of confidential
311 settlement discussions that should not have been made public by AT&T. AT&T
312 proposes to this Commission only part of the entire package of settlement discussions on
313 ABS.

314 **Q33. WOULD SBC ILLINOIS AGREE TO AT&T'S PROPOSED EXHIBIT 3.2 (ABS)?**

315 A33. For the most part, yes. SBC Illinois is willing to compromise on AT&T's proposed
316 language with a few exceptions that this Commission should acknowledge. However,
317 SBC Illinois cannot agree to AT&T's proposed language for Section 27.15.

318 **Q34. WHAT POINTS WOULD SBC ILLINOIS LIKE THIS COMMISSION TO RULE**
319 **ON IN REGARDS TO AT&T'S PROPOSED ABS (EXHIBIT 3.2) AGREEMENT?**

320 A34. Again, SBC Illinois is willing to make compromises and agree to AT&T's ABS
321 Agreement (Exhibit 3.2) for the most part. However, since these were "confidential
322 settlement" discussions initially and SBC Illinois only agreed to certain points based on
323 an overall settlement package, this Commission should rule on these important and
324 relevant disputed points. I would like to discuss each of these points in sections. Those
325 points of dispute with AT&T are method of filing, Account Receivable percentage, Term
326 of the Agreement/General Terms & Conditions, and AT&T's proposed 27.15.

327 **Q35. PLEASE EXPLAIN HOW THE COMMISSION SHOULD RULE ON THE**
328 **FILING OF THIS ABS LANGUAGE.**

329 A35. ABS is an integral part of local telecommunications service and its terms and conditions
330 should be a part of AT&T's filed interconnection agreement. All other CLECs in Illinois

should have the appropriate 252 MFN rights to this language. Most importantly, the terms and conditions associated with this language should be under the regulatory authority of the ICC. SBC Illinois is confident that the ICC would not want to relinquish its rights for authority of these terms and conditions. Such regulatory authority protects both SBC Illinois and AT&T.

Q36. WHY DOES SBC ILLINOIS DESIRE AN APPENDIX FILED WITH THE COMMISSION RATHER THAN A STAND-ALONE AGREEMENT NOT FILED UNDER 251 & 252?

A36. There are two distinct reasons that SBC Illinois desires an Appendix to a Stand Alone Agreement. First, it is SBC Illinois' belief that the Consumer is best served when there is regulatory oversight by our state Commissions on CLEC to ILEC matters like this. Secondly, ABS is related to section 251 Interconnection Agreements and that the section 251 and 252 filing requirements remain. Conversely, a Stand Alone Agreement is not subject to the rules of Sections 251 and 252 of the Federal Act and it would not be filed with the Commission. This is truly not in the best interest of the Consumer or the local competition in Illinois.

Q37. PLEASE EXPLAIN THE CONTENTION WITH THE ACCOUNTS RECEIVABLE PERCENTAGE IN AT&T'S PROPOSED LANGUAGE (EXHIBIT 3.2).

A37. AT&T has proposed in this agreement an Accounts Receivable discount that is inappropriately far below what is included in the SBC Illinois proposal. AT&T bases this percentage on settlement discussions with SBC Illinois on a 13-state basis. AT&T's testimony states that SBC Illinois agreed to allow AT&T to receive a forty percent (40%) discount off the total amount of charges for SBC-originated ABS messages and applicable taxes. However, SBC's agreement to that term was part of a settlement

package that involved thirteen (13) states and a fifteen (15) month term. AT&T seeks to alter the negotiated deal to apply to only one state. Because the terms will only apply to one state, SBC seeks to decrease the discount given to AT&T from 40% to 30%. This is the appropriate Accounts Receivable discount that is offered to all CLECs in Illinois. AT&T should not be able to avail itself to a higher discount percentage since the substantive terms of the negotiated settlement are different in scope than those currently before the Commission.

Q38. WHY DOES SBC BELIEVE A THIRTY PERCENT (30%) DISCOUNT TO BE FAIR AND REASONABLE?

A38. SBC Illinois has done an analysis based upon the industry average uncollectible rate for ABS type calls. SBC Illinois' analysis has determined that the uncollectible average for these types of calls is typically in the range of twenty percent (20%). Based upon this information, SBC Illinois has determined that a thirty percent (30%) discount is more than a reasonable approach to offer CLECs on ABS type calls. SBC Illinois has compromised substantially in regards to bringing fair and reasonable terms to the table for ABS.

Q39. PLEASE EXPLAIN HOW THIS COMMISSION SHOULD RULE IN REGARDS TO THE TERM AND OTHER GENERAL TERMS/CONDITIONS THAT ARE INCLUDED IN AT&T'S PROPOSED EXHIBIT 3.2?

A39. Based on SBC Illinois' contention that the terms and conditions associated with ABS should be wholly included in AT&T's interconnection agreement, this Commission should rule that the ABS provisions should run the same term as the rest of AT&T's interconnection agreement. There should be no difference or bifurcation of the termination provisions. This is clearly inefficient and difficult to administer.

Furthermore, Sections 6.0-17.0 are all General Terms and Conditions that are already included in the General Terms and Conditions of the entire ICA. It is unnecessary to duplicate those provisions within this Appendix.

Q40. CAN YOU EXPLAIN WHAT IS AT&T'S PROPOSED SECTION 27.15 IN ARTICLE 27 AND HOW THIS RELATES TO AT&T'S PROPOSED EXHIBIT 3.2 (ABS)?

A40. With AT&T's proposed section 27.15, it is very difficult to try to explain their intentions. First of all, the proposed AT&T 27.15 language has nothing to do with UNE-P based ABS.² Most importantly, It is even difficult to comprehend where AT&T is pointing to in their cross references indicated in the language. Without a proper cross reference to determine the language being pointed to by this section, SBC Illinois cannot adequately determine and clarify AT&T's intentions. The language does seem to contend that ABS will be billed in accordance with reciprocal compensation arrangements. Reciprocal compensation arrangements have absolutely nothing to do with ABS. SBC Illinois is unclear whether AT&T contends that ABS should be handled as transiting traffic, which is clearly inappropriate and confusing, or if it wishes for such an agreement on ABS to work in a business reciprocal manner. SBC Illinois does not object to having such an agreement work in a reciprocal business manner. If this is ATT's intent, their current proposed language does not capture this intent appropriately. If the intent is that

² AT&T Proposed language for Section 27.15 of Article 27: Comprehensive Billing:

The transport for Alternatively Billed Calls will be billed in accordance with the reciprocal compensation arrangement described in Section 2.1 above, as applicable. These calls usually include operator-handled traffic, such as collect, bill to third party and calling card calls. To the extent the parties are willing to enter into an arrangement concerning the processing, billing, and collection of these calls through CMDS or the intra-region IntraLATA equivalent, the terms for any arrangement, including compensation arrangements, would be the subject of a separate agreement.

399 AT&T wants the terms and conditions in a reciprocal manner, SBC Illinois would like to
400 suggest just adding language stating that the terms and conditions in this appendices
401 should be reciprocal and apply to both parties. The most important confusion of this
402 language seems to be the fact that AT&T is being overly broad in its inclusion of
403 "CMDS" references. CMDS is clearly industry hosting for facilities-based services, not
404 UNE-P. This Commission must recognize that the disputed ABS Appendix is limited
405 only to situations where AT&T is leasing a switch port or UNE combinations involving
406 unbundled local switching such as UNE-P. ABS calls can occur in switch-based or
407 Resale contexts, but the parties here only disagree with respect to ABS charges occurring
408 in the UNE-P environment. Facilities-based providers have their own switches and do
409 their own call detail recording, including call detail recording for ABS calls. Because
410 these facilities-based carriers do their own call detail recording, they are able to exchange
411 call records with SWBT through a CMDS hosting arrangement that is available to them.
412 UNE-P CLECs have no switch and no means of recording call detail on their own. SBC
413 Illinois provides ABS call detail recordings to UNE-P CLECs in the form of rated
414 messages, which the CLEC must have the responsibility to place on its end-user's bill.
415 The Clearinghouse process is not available to UNE-P CLECs because it requires
416 identification of the CLEC, and such identification by telephone number or indicator is
417 not present with a UNE-P CLEC. Further, as explained, UNE-P CLECs do not have any
418 call detail records. It is unclear to SBC Illinois the reasoning for meshing UNE-P and
419 Facilities-based settlement processes together.

420 **Q41. IN RESPECT TO AT&T PROPOSED SECTION 27.15, WOULDN'T ANY**
421 **LANGUAGE REGARDING ABS DECIDED UPON BY THIS COMMISSION**
422 **SUPERCEDE THIS SECTION?**

423 A41. Yes. That is clearly what needs to take place, however, AT&T is unclear on how this
424 language even corresponds to ABS. This is clearly the confusion. AT&T's witness Ms.
425 Moore did not clarify this point in her testimony either. At one point, she seems to imply
426 that "agreed to" ABS language would replace 27.15 and at another point seems to
427 continue to propose as AT&T's proposed interconnection agreement language. The most
428 important point this Commission must take notice on is that this language should be
429 disregarded as irrelevant to this ABS issue. Whatever ABS language this Commission
430 should rule on is the language that should replace this irrelevant piece.

431 **Q42. PLEASE EXPLAIN HOW THIS COMMISSION SHOULD CLARIFY AT&T'S**
432 **SECTION 27.15.**

433 A42. It is clear that this Commission should reject AT&T's Section 27.15. Based on SBC
434 Illinois' agreement to agree upon AT&T's Exhibit 3.2 with certain line item disputes,
435 AT&T's section 27.15 is totally irrelevant. Furthermore, as explained above, it is
436 difficult to understand what AT&T's intent is with proposed section 27.15. Section 27.15
437 clearly is irrelevant in regards to handling the settlement of UNE-P ABS charges. SBC
438 Illinois requests this Commission to clearly reject 27.15 and appropriately replace with
439 the terms and conditions for the ABS charges that will be ruled upon in this proceeding.
440 Overall, SBC Illinois is agreeable to AT&T's proposal in Exhibit 3.2, except for the line
441 items noted above.

Q43. CAN YOU GIVE A SUMMARY OF WHAT SBC ILLINOIS IS AGREEABLE TO WITH AT&T AND HOW THIS COMMISSION SHOULD RULE ON ABS?

A43. Yes. This issue resolution for the Commission is quite simple and it should be acknowledged that SBC Illinois has made substantial effort to resolve the proper responsibility for ABS charges. As noted throughout my testimony on this issue, even though SBC Illinois urges its proposed ABS Appendix to the ICA, SBC Illinois is amenable to accept AT&T's proposed language in Exhibit 3.2 with the following conditions:

1. AT&T's proposed language should be filed as part of the ICA under Sections 251 and 252 of the Act with the Illinois Commerce Commission.
2. AT&T's Accounts Receivable discount should not exceed thirty percent (30%) and zero percent (0%) of any ABS charges passed through SBC Illinois by Third Party LECs that are included in DUF. AT&T should be responsible for seventy percent (70%) of the total amount of charges for SBC-originated ABS messages and applicable taxes and one hundred percent (100%) of those passed on the DUF through Third Party LECs.
3. The term of the ABS provisions should run concurrent with the rest of AT&T's interconnection agreement and should not be bifurcated.
4. General Terms and Condition Provisions identified in Sections 6.0-17.0 of AT&T's proposed Exhibit 3.2 should be deleted. The General Terms and Conditions associated with the interconnection agreement will apply and should not be duplicated here.
5. The Commission should supercede and reject AT&T's confusing Section 27.15 (Article 27) as it is irrelevant to ABS and is not appropriate for adequately handling the ABS settlement process. AT&T's proposed Exhibit 3.2 (ABS), with the noted SBC Illinois contentions, is the appropriate mechanism for this settlement.

Q44. DOES THIS CONCLUDE YOUR TESTIMONY?

A44. Yes, it does.

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

AT&T Communications of Illinois, Inc.
TCG Illinois and TCG Chicago

Petition for Arbitration of Interconnection Rates,
Terms and Conditions and Related Arrangements
With Illinois Bell Telephone Company d/b/a
SBC Illinois Pursuant to Section 252(b)
of the Telecommunications Act of 1996

Docket No. 03-0239


VERIFICATION

Roman A. Smith, being first duly sworn on oath, deposes and states the following:

1. I am the Associate Director – Wholesale Marketing for SBC.
2. The facts set forth and statements made in my foregoing Direct and Rebuttal

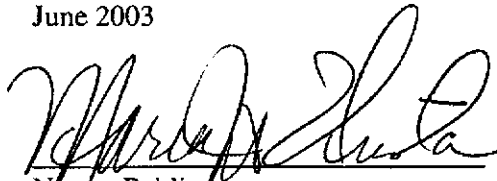
Testimony are true and correct to the best of my knowledge, information and belief.

3. Further affiant saith not.


Roman A. Smith

STATE OF TEXAS
COUNTY OF DALLAS

Subscribed and sworn to
before me, this 13th day of
June 2003


Notary Public

